The synopsis for the registration of Doctor of Philosophy (Ph.D.) degree in faculty of Commerce and Management Sciences

Synopsis Title

‘Promotion and development of micro, small and medium enterprises in Maharashtra through cluster development (A case study of cluster development in Marathwada / Nanded district)’

Submitted to

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'Promotion and development of micro, small and medium enterprises in Maharashtra through cluster development (A case study of cluster development in Marathwada / Nanded district)'

1) INTRODUCTION:

The Micro, Small and Medium Enterprise (MSMEs) are important sector and plays a critical role in the Maharashtra as well as Indian economy. MSMEs will continue to play a very important and vital role in our economy where the twin problems of unemployment and poverty constitute a major development challenge. There are several challenges in the sector of MSMEs. If the Government, Bank and Financial institutions will take proper initiatives in the sector of MSME and they will take pride while servicing the MSMEs, these challenges can be solved through **cluster developments** and the economic growth rate of Maharashtra as well as India will be 8-10% for the next decades.

1.1 Introduction of Cluster:

"Group of enterprises manufacturing similar products in one geographical area having common threats and opportunities is known as cluster."

a. Clusters consist of firms in a region producing similar or related products, utilizing similar processes or engaging in similar functions, the regional suppliers and customers of these firms, specialized labour skills possessed by workers in the region employed by these firms, public and public-private programs that provide services to cluster members.

b. The Ministry of Micro, Small and Medium Enterprises (MSME), Government of India (GoI) as well as Govt. of Maharashtra has adopted the cluster development approach as a key strategy for enhancing the productivity and competitiveness as well as capacity building of Micro and Small Enterprises (MSEs) and their collectives in the country. Clustering of units also enables providers of various services to them, including banks and credit agencies, to provide their services more economically, thus reducing costs and improving the availability of services for these enterprises.

1.2 Objectives of the Cluster Scheme:

(i) To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills and quality, market access, access to capital, etc.

(ii) To build capacity of MSEs for common supportive action through formation of self-help groups, consortia, up gradation of associations, etc.

(iii) To create/upgrade infrastructural facilities in the new/existing industrial areas/ clusters of MSEs.

(iv) To set up **common facility centers** (for testing, training center, raw material depot, effluent treatment, complementing production processes, etc.).

1.3 Eligibility AND Scope of the scheme:

1) Eligibility:

1) Minimum 10 Micro, Small working units in same or similar sector located within an identifiable and as far as practicable, contiguous area.

2) Existing Cluster in Zone 'D' , 'D+', No Industry District & Naxalite Affected Area' as per PSI-2013. (Package scheme incentives-2013)

1.4 Scope of the scheme:

(i) Diagnostic Study

(ii) Soft Intervention

(iii) Hard Intervention: Setting up of Common Facility Centers (CFCs)

(iv) Infrastructure Development (Upgradation / New)

1.5 Cost of Project and Govt. of Maharashtra Assistance:

A. <u>Soft intervention:</u>

a) **Soft intervention includes**: technical assistance, capacity building, exposure visits, market development,. Workshop/ Training, Capacity Building, Implementation of ICT, Study Tours, Participation in Exhibition, trust building etc.

b) Select the entrepreneurs those who are engaged in manufacturing of similar products.

c) From the SPV(Special Purpose Vehicle) to run the cluster.

d) Prepare the DSR(Diagnostic Study Report) Govt. of Maharashtra grant Max. up to Rs. 2.5 Lakhs

e) Maximum limit of the project cost for Soft Intervention is Rs.10.00 Lakhs which includes GoM Grant @90% & Beneficiaries Contribution @10%.

B. **Hard Intervention** :

a) Hard interventions includes: Setting up common facility centers, Design centers, Training and R & D centers

Detail Project Report (DPR) Govt. of Maharashtra grant Max. up to 2.25 Lakhs. (90% of the total DPR Cost whichever is lower).

1) Preparation of Detail Project Report.
2) Validation of Detail Project Report at District Level Cluster Co-ordination Committee under Chairmanship of General Manager, DIC.
3) Approval/Submission of DPR to Technical Agency for Technical Appraisal.
4) Approval/Submission of DPR to Bank/SIDBI/SICOM/NABARD for Financial Appraisal.
5) Approval/Submission of DPR to Directorate of Industries, Mumbai after all statutory clearances like MPCB, Fire Noc, N.A. power load assurance letter, etc.
6) Preparation of Detail Project Report.

C) Hard interventions

1) CFC includes the following facilities, this is an indicative list for reference. The facilities other than these may be proposed considering the project needs: **R & D Facilities, Packaging Centre, Testing Centre,Training Centre, Common Processing Centre, etc.**

2) Maximum Grant in aid from Govt. of Maharashtra for setting up of CFC is limited to Rs.5.00 Crores or 70% of the approved project cost whichever is lower. (GoM Grant will be 80% for cluster with 100% micro units/more than 50% women owned units)

1.6 MSMES In Maharashtra As On 16.05.2017

Table No.1

Category	Micro	Small	Medium	Total
Manufacturing	102326	33266	1396	136988
Service	127882	13604	779	142265
Total	230208	46870	2175	**279253**

1.7 MSMEs In Marathwada As On 16.05.2017

Table No.2

Category ->	Manufacture				Service				Total (Manufa. + Total)			
District	**Micro**	**Small**	**Medium**	**Total**	**Micro**	**Small**	**Medium**	**Total**	**Micro**	**Small**	**Medium**	**Total**
Aurangabad	6976	2030	80	9086	4302	729	20	5051	11278	2759	100	14137
Beed	1977	313	20	2310	808	134	3	945	2785	447	23	3255
Jalna	2091	333	11	2435	1855	277	1	2133	3946	610	12	4568
Parbhani	943	174	8	1125	1350	99	1	1450	2293	273	9	2575
Latur	1280	348	13	1641	461	92	2	555	1741	440	15	2196
Usmanabad	1297	242	5	1544	199	39	1	239	1496	281	6	1783
Hingoli	1116	105	5	1226	1183	97	0	1280	2299	202	5	2506
Nanded	1566	217	6	1789	959	156	2	1117	2525	373	8	2906
Total	**17246**	**3762**	**148**	**21156**	**11117**	**1623**	**30**	**12770**	**28363**	**5385**	**178**	**33926**

1.8 MSMEs In Nanded District As On 16.05.2017

Table No.3

Category ->	Manufacture				Service				Total			
District	Micro	Small	Medium	Total	Micro	Small	Medium	Total	Micro	Small	Medium	Total
Nanded	1566	217	6	1789	959	156	2	1117	2525	373	8	2906
Total	**1566**	**217**	**6**	**1789**	**959**	**156**	**2**	**1117**	**2525**	**373**	**8**	**2906**

2) RESEARCH METHODOLOGY

2.1 Significance of the Study in MSMES are:

1) Less capital intensive
2) Most important employment generating sector.
3) Effective tool for promotion of balanced regional development
4) It is extensively promoted and supported by the Government
5) Finance and subsidies are provided by the government
6) Produced goods are purchased by the Government
7) 40% exports in India are through MSME channel
8) Procurement of machinery and raw material
9) Globalization has offered new opportunities for the MSMEs
10) Trade fares and exhibitions played a vital role in the economic growth of the countries.

All these features indicate that promotion of clusters lead to industrial development which signifies the need of this study in present scenario.

2.2 Objectives of the study:

1) To study the cluster development scheme
2) To study the need of importance of MSMEs they are facing the problems
3) To study the various parameters affecting these success of the scheme in Industries (MSMEs) implemented by Govt.
4) To review the challenges to be faced by MSMEs in Maharashtra as well as Marathwada region & Nanded District.
5) To evaluates the problems/ opportunities of MSMES through cluster in Nanded district.

2.3 Hypothesis of the study:

1) District Industry Center (DICs) have failed in motivating Enterprises for participating in the clusters.

2) The Units, who have participated in the clusters, have developed due to the Govt. scheme.

3) The participation in cluster helps Micro and small units to reach, make good quality of products, Brandings, packaging's, as well as access to domestic/international markets for his business/Trading in competitively way.

4) The Participating Units are facing common problems/Issues depend upon their capacity building /exercise done in initial stages in the clusters.

5) The incubation centres for training the participating units are not effectively used by government.

3) SAMPLE DESIGNING:

Sampling design: A sample design is a definite plan for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the Units is drawn. Sampling design is determined before any data are collected.

Method	**Best when**
Simple random sampling	Whole MSMES Units is available.
Stratified sampling (random within target groups)	There are specific sub-groups to investigate (eg. demographic groupings).
Systematic sampling (every nth Units)	When a stream of representative Units are available (eg. in the Districts).

3.1 List of 77 Cluster approved under MSICDP in Maharashtra

Table No.4

Sr. No.	Cluster Name	Location
1.	Rice Mill Cluster,	Charmoshi, Dist. Gadchiroli

Sr. No.	Cluster Name	Location
2.	Rice Mill Cluster,	Sadak-Arjuni, Dist. Gondiya
3.	Jaggery Cluster,	Kasa- Birsola, Dist. Gondiya
4.	Printing Cluster,	Ambegaon, Dist- Pune
5.	Jardosi Cluster,	Yeola, Dist. Nashik
6.	Agro Equipment Cluster,	Andarsol, Dist- Nashik
7.	Cashew Cluster,	Shrungarwadi,Dist- Kolhapur
8.	Cashew Cluster,	Lanja, Dist- Ratnagiri
9.	Printing Cluster,	Dist.- Nanded
10.	Himroo Shawl Cluster,	Dist- Aurangabad
11.	Rubber Cluster,	Dist- Aurangabad
12.	Leather Cluster,	Matha, Dist- Jalna
13	Khawa Cluster,	Bhoom, Dist- Osamanabad.
14.	Raisin Making Cluster,	Kawathemahakal, Dist-Sangli
15.	Raisin Making Cluster,	Tal. Pandharpur, Dist-Solapur
16.	Marathwada Cotton Processing Cluster,	Dist. Aurangabad
17.	Garment Cluster,	Dist. Amaravati
18.	Teak Wood Furniture Cluster,	Achalpur, Dist. Amaravati
19.	Honey Processing Cluster,	Dist. Amaravati
20.	Jaggary Cluster,	Tumsar Dist. Bhandara
21.	Garment Cluster,	Kada, Ashti, Dist. Beed
22.	Fabrication Cluster,	Dist Beed
23.	Fabrication & Engineering Cluster,	Dist. Hingoli
24.	Stone Craft Making & Craving Cluster,	Patur, Dist. Akola
25.	Turmeric Cluster,	Waygon, Dist.- Wardha
26.	Dal Mill Cluster,	Dist. Akola
27	Honey Processing Cluster,	Patsul, Dist. Akola
28.	Gold Jeweler Cluster,	Dist.- Nanded
29.	Agriculture Equipment Cluster,	Sangmeshwar, Dist. Ratnagiri
30.	Paithani Saree Cluster,	Dist. Aurangabad.
31.	Agriculture Equipment Cluster,	Dist. Latur
32.	Terry Towel Cluster,	Dist. Solapur
33.	Leather Cluster,	Georai, Dist. Beed
34.	Bidri Work Cluster,	Dist. Aurangabad
36.	Truck Body Building Cluster,	Madalmohi, Dist. Beed
35	Furniture & Engineering Work Cluster,	Dist. Aurangabad
36	Musical Instruments Cluster,	Miraj, Dist.Sangli
37	Coir Cluster,	Vengurla, Dist. Sindhudurg
38	Agarbatti Cluster,	Ponbhurna, Dist. Chandrapur
39	Spices Cluster.	Dist. Jalna
40	Khawa & Dairy Products Cluster,	Nandura, Dist. Buldhana
41	Fabrication & Engineering Cluster,	Dist. Osmanabad

Sr. No.	Cluster Name	Location
42	Agricultural Implements & Engineering Cluster,	Jafrabad, Dist. Jalna
43	Raisin Cluster,	Dist. Osmanabad
44	Rice Mill Cluster,	Mul-Saoli, Dist. Chandrapur
45	Lac Bangles Cluster,	Achalpur, Dist. Amravati.
46	Pottery Cluster,	Bori-Arab, Dist. Yavatmal
47	Cashew Processing Cluster,	Vengurla, Dist. Sindhudurg
48	Cashew Processing Cluster,	Malvan, Dist. Sindhudurg
49	Modular Furniture Cluster,	Kudal, Dist. Sindhudurg
50	Mango Processing (Mix Fruit Processing) Cluster,	Devagad, Dist. Sindhudurg
51	Wooden Toy Cluster,	Sawantwadi, Dist. Sindhudurg
52	Engineering Cluster (BIMAT),	Waluj, Dist. Aurangabad
53	Kitchen Trolley Cluster,	Dist. Aurangabad
54	Sarvoday Garment Cluster,	Dist. Beed
55	Spice Cluster,	Pimpalner, Dist. Beed
56	Steel Furniture Cluster,	Dist. Latur
57	Readymade Garment Cluster,	Dist. Parbhani
58	Readymade Garment Cluster,	Chimur, Dist. Chandrapur
59	Bakery Cluster,	Dist. Aurangabad
60	Varli Painting & Framing Cluster,	Javahar, Dist. Palghar (Thane)
61	Raisin Cluster,	Madrup, Dist. Solapur
62	Readymade Garment Cluster,	Junnar, Dist. Pune
63	Steel Furniture Cluster,	Ambejogai, Beed
64	Khawa Cluster,	Dharur, Dist. Beed
65	Sant Gorobakaka Matikala Udyog Cluster,	Beed
66	Readymade Garment Cluster,	Beed
67	Textile Cluster,	Basmat, Dist. Hingoli
68	Honey Cluster,	Latur
69	Solar Charkha Cluster,	Amravati
70	Solapuri Chadar Cluster,	Solapur
71	Garment Cluster, Bhoom	Osmanabad
72	Garment Cluster, Pargaon	Osmanabad
73	Kumbhar Gramudyog Cluster,	Khedgaon, Dist. Nashik
74	Engineering Gramudyog Cluster, Vani	Ta. Dindori Dist. Nashik
75	Soap Cluster,	Aurangabad
76	Printing Cluster, Kabnoor	Kolhapur
77	Spices Cluster,	Kolhapur

3.2 List of 36 Cluster approved under MSICDP in Marathawada Region

Table No.5

Sr. No.	Cluster Name	Location
1	Printing Cluster,	Dist.- Nanded
2	Himroo Shawl Cluster,	Dist- Aurangabad
3	Rubber Cluster,	Dist- Aurangabad
4	Leather Cluster,	Matha, Dist- Jalna
5	Khawa Cluster,	Bhoom, Dist- Osamanabad.
6	Marathwada Cotton Processing Cluster,	Dist. Aurangabad
7	Garment Cluster,	Kada, Ashti, Dist. Beed
8	Fabrication Cluster,	Dist Beed
9	Fabrication & Engineering Cluster,	Dist. Hingoli
10	Gold Jeweler Cluster,	Dist.- Nanded
11	Paithani Saree Cluster,	Dist. Aurangabad.
12	Agriculture Equipment Cluster,	Dist. Latur
13	Leather Cluster,	Georai, Dist. Beed
14	Bidri Work Cluster,	Dist. Aurangabad
16	Truck Body Building Cluster,	Madalmohi, Dist. Beed
17	Furniture & Engineering Work Cluster,	Dist. Aurangabad
18	Spices Cluster.	Dist. Jalna
19	Fabrication & Engineering Cluster,	Dist. Osmanabad
20	Agricultural Implements & Engineering Cluster,	Jafrabad, Dist. Jalna
21	Raisin Cluster,	Dist. Osmanabad
22	Engineering Cluster (BIMAT),	Waluj, Dist. Aurangabad
23	Kitchen Trolley Cluster,	Dist. Aurangabad
24	Sarvoday Garment Cluster,	Dist. Beed
25	Spice Cluster,	Pimpalner, Dist. Beed
26	Steel Furniture Cluster,	Dist. Latur
27	Readymade Garment Cluster,	Dist. Parbhani
28	Bakery Cluster,	Dist. Aurangabad
29	Steel Furniture Cluster,	Ambejogai, Beed
30	Khawa Cluster,	Dharur, Dist. Beed
31	Sant Gorobakaka Matikala Udyog Cluster	Beed
32	Readymade Garment Cluster,	Beed
33	Textile Cluster,	Basmat, Dist. Hingoli
34	Honey Cluster,	Latur
35	Garment Cluster, Bhoom	Osmanabad
36	Garment Cluster, Pargaon	Osmanabad

3.3 Industrial Scenario of Nanded District

Table No.6

Sr. No.	Head	Unit	Particulars
1	Registered Industrial Unit	No	1464
2	Total Industrial Unit	No	1482
3	Registered Medium & Large Units	No	18
4	Estimated Avg. No. of Daily Worker (Employed in Small Scale Industries)	No	10799
5	Employment in Large & Medium Industries	No	4843
6	No. of Industrial Area	No	6
7	Turnover of Small Scale Industries	In lacks	54391
8	Turnover of Medium & Large Scale Industries	In lacks	124520

3.4 List of 2 Cluster approved under MSICDP in Nanded District

Table No.7

Sr. No.	Cluster Name	Location
1	Printing Cluster,	Dist.- Nanded
2	Gold Jewellery Cluster,	Dist.- Nanded

For the purpose of this research, Marathwada region clusters will be targeted. There are total 36 clusters existing in Marathwada region spread over eight districts. The research sample will consists of one cluster selected form each district thereby constituting eight clusters to be studied as sample.

3.5 Sources of Data Collection:

Sources of secondary data will be basically published records of Distict Industry center, Nanded, Diffrent clusters , Research institutes like Ni-msme Hyderabad, IITs, IIMS, MSME units, Published Journels, Research Papers, Etc.

Primary data collection will be by use of surveys, experiments or direct **observations.**

(Open-ended: observations, Experiences and questionnaire)

3.6 Limitation of Study:

1) Time Period will be limited to 2012-2020

2) Geographically it will be limited to Marathwada region

3) Parameters:

Following Main basic parameters will be studied for conductive environment for cluster Development:

i. Similar type of Enterprises having willingly interested to increase their business activities by the help of cluster
ii. The Enterprises should be situated in a particular geographical area
iii. Motivation to the enterprises to participate in the cluster for getting Govt. schemes benefits
iv. **Common Threats:** The enterprises are facing the common problems like availability of testing facility, quality control labs, storage, packing & transportation etc.
v. **Common opportunities:** The same type Enterprises can get opportunities for export, if the products of all enterprises collect together and the process for export
vi. **Availability of raw material:** If the raw material requirement of equal, and make it collectively for more than one enterprise. it is possibility to get quantity discount, save funds in transportation loading unloading etc.

4) Respondent conditions limitations will also be a part of this study.

3.7 Data Analysis tools:

Data analysis is the collecting and organizing of data so that a researcher can come to a conclusion. Data analysis allows one to answer questions, solve problems, and derive important information.

Data Analysis techniques are

1) Square co-relation
2) Test without use of excel graphs
3) Any other statistical technique found suitable

4) CHAPTER PLAN:

This study will be presented in the five Chapters

1) Introduction
2) Research Methodology
3) Sample Designing
4) Chapter Plan
5) Bibliography

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